



The President's Daily Brief

August 5, 1975

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FOR THE PRESIDENT ONLY

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PORtUGAL

The heated denial yesterday by Portuguese Prime Minister Goncalves' office that he had resigned may mean he has refused to bow to the forces arrayed against him. If so, the battle for political dominance could expand with dramatic suddenness within the military itself.

Usually well-informed sources of the US embassy earlier yesterday had suggested that Goncalves had deferred to President Costa Gomes, who was to form a government that would allow Goncalves only a minor role. These sources indicated that the Socialists and the center-left Popular Democrats would be asked to join the cabinet.

The Prime Minister's office branded press reports of his resignation lies and said Goncalves would form a government later this week. Last night, Goncalves received support for continuing as prime minister from several dozen officers at the general headquarters of the Lisbon Military Region. The Lisbon Military Region, however, is not typical of the armed forces as a whole, in which anti-Goncalves sentiment reportedly is growing.

Tension, meanwhile, increased in the conservative north of Portugal yesterday, when two anti-communist demonstrators were killed by an army captain. The shootings occurred when a local Communist headquarters was razed. The demonstrators were reportedly assisted by some members of the security forces. The Communist--apparently attempting to divert attention from the groundswell of anti-communist sentiment--blamed this and previous like incidents on the Portuguese Liberation Army, a group of conservative Portuguese dissidents headquartered in Spain.

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INDIA

Prime Minister Gandhi continues to consolidate her power and may try to alter the nation's parliamentary form of government.

Rumors are circulating in New Delhi that Gandhi intends to propose basic changes to the political system. [redacted]

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The regime continues to round up its opponents. Some 500 leaders of the Akali Dal, a regional party in the Punjab, have been arrested. [redacted]

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The US embassy in New Delhi has confirmed the recent detention of a number of university and high-school teachers in the capital. Conservative estimates now place the number detained for political reasons at 6,000.

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CYPRUS

Prospects for a negotiated Cyprus settlement may have improved. Greek Prime Minister Karamanlis and Greek Cypriot negotiator Clerides have persuaded President Makarios to accept the Turkish demand for a bi-regional federation with a weak central government.

The Greeks, moreover, apparently no longer will insist that a substantial number of Greek Cypriots be permitted to reside in the north as part of a final settlement.

The Greeks will concentrate instead on recovering some of the territory under Turkish control, especially Famagusta and the rich Morphou area northwest of Nicosia. They are ready to accept a Turkish Cypriot zone incorporating as much as 25 percent of the island. The Turks now occupy 38 percent.

Turkish Cypriot negotiator Denktash has promised to present proposals on the territorial question [redacted]

[redacted] In the meantime, the negotiators will continue to meet informally in Nicosia.

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NOTES

The USSR has suspended deliveries of MIG-21s to Nigeria since the coup on July 29.

[redacted] two to three MIG-21s may have arrived. Nigeria contracted in 1974 for 36 of the aircraft.

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Despite announcements that Argentine President Marie Estela Peron was to begin a week's vacation, she made a well-publicized return to the presidential office yesterday, apparently to demonstrate that she still has a firm hold on the presidency.

Peron has, in fact, been deprived of effective power. The business of government has fallen increasingly to three members of the cabinet who may be working to keep her in the public eye, where she can divert public attention from their handling of day-to-day problems. Her retention as a figurehead also suggests that acceptable arrangements for a successor remain elusive. Her continuance in office will screen the continued maneuvering for influence among major power groups, such as labor and the military.

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